

**Request for Proposal to Implement the
American Recovery and Reinvestment Act of 2009
State Energy Program (SEP) and Energy Efficiency and Conservation Block Grant
(EECBG) Program**



BACKGROUND:

The Louisiana Department of Natural Resources is seeking proposals for a professional turn-key consulting firm to assist in the implementation of the American Recovery and Reinvestment Act of 2009 State Energy Program and the Energy Efficiency and Conservation Block Grant awarded to the State of Louisiana.

The American Recovery and Reinvestment Act of 2009 (Recovery Act) was signed into law by President Obama on February 17, 2009. The Act includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

The grant awarded to the Department of Natural Resources (DNR), Technology Assessment Division (TAD) for energy efficiency has multi-faceted approaches to reach sectors that will save energy, create jobs, stimulate economic growth, while protecting our environment. This undertaking will not only serve the citizens of Louisiana in the interim, but will have long lasting effects to ensure a better Louisiana economy and environment in which we live.

As the recipient of the ARRA grant funding, the Louisiana DNR, TAD serves as the technical arm of the Office of the Secretary and as the State Energy Office. The mission is to promote and encourage the exploration, production, conservation and efficient use of energy and natural resources in order to improve the environment, enhance economic development and insure a better quality of life for this and future generations.

DNR has provided guidance to numerous agencies and entities on developing energy efficiency and renewable energy strategies and policies as well as developed and implemented award winning programs and projects.

Among the primary factors influencing DNR's selection of programs to include under the ARRA energy program were the Act's requirements that preference be given to the expansion of existing programs or programs that can be expeditiously initiated. Based on this requirement, DNR's extensive experience in energy efficiency and public input, DNR has developed a

program focusing on state buildings, housing and small business efficiency, transportation alternatives and renewable energy resources.

It is imperative that all proposers read and comprehend the requirements of the ARRA funding. The *U.S. Department of Energy Guidance* can be examined at:

<http://dnr.louisiana.gov/stimulus>

It should also be noted that strict accountability and transparency is stipulated. Evaluation is a strong component of these requirements and will assist in determining the role of SEP in future energy focused initiatives. States should expect to participate in the national SEP evaluation to be implemented in FY 2009-2010. Therefore, attention must be on the objectives and evaluation of projects and their ability to meet those objectives as well as ability to implement within the required timelines. There will be several entities that will require reports: the ARRA-Performance Progress Report, the Louisiana Recovery Authority, and the Louisiana Department of Natural Resources. Requirements and other laws, rules and regulations are included in the initial award to DNR as Attachment B and also can be viewed by accessing the *Special Terms and Conditions* at:

<http://dnr.louisiana.gov/stimulus>

Note that DNR plans to initiate a separate request for proposal for monitoring, verification and auditing to verify expenditures, energy savings and other metrics as required by the U.S. Department of Energy, ARRA funding.

Potential contractors should provide a strategic plan including all aspects of developing, implementing, and administering such a program including how their proposal will best meet the needs of the State Energy Program, including but not limited to project management, team leads, responsibilities, progress monitoring strategies, project staffing, organization, available resources, subcontractors, travel, budget, and timelines.

Special attention to deadlines from the U.S. Department of Energy and DNR that require obligation of funding by a certain deadline and/or recommendations for redistribution of funding within required timeframes should be carefully examined. These timelines will be posted to the DNR site with other rules, guidelines and information as it relates to this solicitation.

The programmatic project cost will be Fifty million, Seven Hundred Ten Thousand, Three Hundred Thirty-three and no/100 Dollars (\$50,710,333). The proposed cost for technical assistances, program implementation, and administrative support for programs shall not exceed 6.55% of the \$50,701,333 programmatic cost.

A summary of the programmatic funding is as follows:

Program 1 Lead By Example – State Buildings:	\$25,723,807*
<i>(Payments for state buildings program will be direct from DNR to the Division of Administration)</i>	
Program 2-A Residential – New Home	5,056,816

Program 2-B Residential – Retrofits	5,056,817
Program 2-C Commercial	5,056,817
Program 3 Transportation Efficiency and Alternative Fuels	9,893,772
Program 4 Renewable	9,893,772
Program 5 Energy Star Appliance Rebate	2,638,339
Program 6 Energy Efficiency & Conservation Block Grant	<u>13,114,000</u>
Total Programmatic Expenditures	\$50,710,333

PROGRAM 1 – STATE BUILDINGS – LEAD BY EXAMPLE

Program 1 Funding: \$25,723,807

Installation/Retrofit of Energy Efficient Equipment in State Buildings

A Memorandum of Understanding between the Department of Natural Resources and the Division of Administration, Office of Facility Planning will serve as the agreement for funding to be utilized for projects that are under the oversight of the Division of Administration, Office of Facility Planning. The \$25,723,807 is for the actual installation of measures and the funding amount is included in this RFP for information purposes. These funds are for the specific use for state buildings to incorporate energy efficient equipment and lighting into state buildings in response to Governor's Executive Order No. BJ2008-8. The ARRA funding designated for use in this program is \$25,723,807 and will be direct funding between DNR and the Division of Administration, Office of Facility Planning. The contractor will ensure installation of measures and submittal of monthly project monitoring reports indicating the amount of funding to be authorized from DNR to the Division of Administration, Office of Facility Planning.

Contractor Responsibilities shall be to:

- Coordinate with Office of Facility Planning those projects funded by DNR.
- Verify bids awarded comply with ARRA requirements.
- Monitor execution of energy efficient projects.
- Facilitate with the Division of Administration a monthly monitoring/payment method to ensure reimbursement on equipment purchased and installed per DNR approval.
- Measure, verify and report all required information including metrics identified within the ARRA State Energy Plan to DNR (monthly), DOE (quarterly) and LRA as required. See Attachment A; State Building Energy Efficiency Retrofits.

PROGRAM 2-A-BUILDINGS-RESIDENTIAL-HERO-NEW HOMES

Program 2-A Funding: \$5,056,816

Re-Introduction of New Home Participation under HERO

In 1999 DNR introduced the Home Energy Rebate Option (HERO) Program in which Louisiana residents would receive up to a \$2,000 rebate for making their home more energy efficient. Initially, statewide participation was low but steadily increased until peak participation occurred in 2002, when over 3,400 new and existing homeowners participated in the program. The HERO new home program was abolished in January 2006 with statewide adoption of the energy provisions of the International Residential Code (IRC). With additional funding now available for new home energy efficiency construction, DNR will reintroduce new home participation under the HERO to build new homes to a high level of energy efficiency. The HERO program for existing homes will be handled by contractor with oversight by in-house personnel.

HERO – Residential New Home

I. GENERAL PROGRAM DETAILS

Program is designed to encourage the building of new homes to a high level of energy efficiency. It is based on two already existing levels of performance:

- DOE's Builders Challenge (HERS score of 70 or below)
- Federal Tax Credit (50% or less for heating and cooling compared to code).

The performance incentive is based on the level of performance achieved.

- Builder's Challenge Level-- \$2,000
- Federal Tax Credit Level-- \$3,000.

The incentive can go to the builder, the developer, the home owner, or non-profit or for-profit entity that funds the construction. The program applies to all residential development, owner-occupied and rental and single-family and multi-family.

Achieving either level will be verified by a Home Energy Rating by a RESNET certified Home Energy Rater working under a RESNET certified Provider approved by DNR. The RESNET certified software has existing reporting capabilities sufficient to document compliance.

Training and basic quality control of Raters will be the responsibility of the certified Providers and/or RESNET certified Home Energy Rater Trainers. These are all private sector entities. A list of approved Home Energy Raters, approved RESNET Providers and approved RESNET certified Trainers will be maintained on the DNR website.

The program will complement DOE Builder's Challenge program and can be stacked on top of the Federal new home tax credit that is currently \$2,000. This will result in a combined \$5,000 incentive for building to the very high level of efficiency required for the tax credit.

The primary method of dissemination of information about the program will be through initial marketing efforts of DNR, contractor, industry partners (primarily utility companies) and Home Energy Raters. Contractor *must* ensure statewide participation and have provisions in place for ARRA funds to be available for participants by limiting participation to a prescribed number of applicants for the funding.

To receive an incentive, homes must be completed and have first occupancy between July 1, 2009 and December 31, 2011. Participants will be required to have an initial preliminary rating performed from plans before the slab is poured. A concrete receipt will be utilized to date the day slab was poured.

Upon receipt of preliminary rating from the Home Energy Rater, funding will be earmarked for six months. To guarantee receipt of an incentive, the home must be completed and have a final Home Energy Rating inspection before the end of the six month period. Incentives for homes not completed within the six month window will have no guarantee of an incentive and will only receive an incentive if funding is available at that time.

II. PROGRAM DELIVERY DETAILS

- To gain information, applicant contacts Home Energy Rater, visits website or contacts Contractor program hotline.
- Applicant learns program details, wishes to participate and contacts Home Energy Rater.
- Home Energy Rater verifies availability of funds (via secure internet site). As part of this process, \$3,000 is immediately earmarked for 14 days.
- Home Energy Rater performs the preliminary rating from building plans and makes recommendations.
- Applicant and Home Energy Rater agree on pathway to compliance and what level of performance will be achieved.
- Home Energy Rater confirms level of performance with Contractor and the 14-day \$3,000 earmark is changed to a 6-month earmark for the correct incentive level (\$2,000 or \$3,000).
- Applicant completes residence within 6 months and contracts original Home Energy Rater.
- Home Energy Rater conducts final rating and submits required documentation to Contractor within the 6-month period.
- Rebate check is issued to applicant by Contractor.

- Should completion extend beyond 6-month window, incentive will be paid only if funding is available.

III. EXPECTED PROGRAM OUTCOMES

The expected minimum program outcomes expected from this program are as follows. These outcomes are based on a total program expenditure of \$5,056,816.

Estimated number of new energy efficient homes constructed: 2,247

Contractor Responsibilities shall be to:

- Develop program guidelines and procedures in consultation with DNR
- Develop database system for mining Residential Energy Management (REM) building files (included but not limited to, information such as square footage by home, emissions reductions, HVAC type and efficiency, ceiling insulation R-value and type by home, (Home Energy Rating System) HERS Index by home, window type, etc.)
- Issue an estimated 2,200 rebates (includes W-9 processing, reviewing building files)
- Provide for 10% random sampling for quality control and fraud
- Develop method of estimating energy savings from REM building files
- Utilize Rating Providers approved by DNR
- Report all required information including metrics identified within the ARRA State Energy Plan to DNR (monthly), DOE (quarterly) and LRA as required. See Attachment A; Residential/Commercial Energy Efficiency.

– PROGRAM 2-B BUILDINGS – RESIDENTIAL – HERO – EXISTING **Program 2-B Funding: \$5,056,817**

The contractor awarded from this RFP will administer the retrofit component under close coordination and oversight of the current contractor and DNR as well as programs under Buildings Residential and Buildings Commercial. All reporting metrics currently maintained will be expanded as well as new metrics as required by ARRA.

HERO – Residential Existing Home

I. GENERAL PROGRAM DETAILS

Program is designed to encourage existing homeowners to improve the efficiency of their homes. To qualify, participants must show a minimum of a 30 percent improvement in their Home Energy Rating score.

The incentive is 25% of the cost of the improvements or the present value of energy savings, up to a maximum of \$3,000. The incentive can go to the home owner, or non-profit or for-profit entity that funds the improvements. The program applies to all single family residents and multi-family up to a four-plex.

Energy savings will be verified by a Home Energy Rating by a RESNET certified Home Energy Rater working under a RESNET certified Provider approved by DNR. The RESNET certified software has existing reporting capabilities sufficient to document compliance.

Training and basic quality control of Raters will be the responsibility of the certified Providers and/or RESNET certified Home Energy Rater Trainers. These are all private sector entities. A list of approved Home Energy Raters, approved RESNET Providers and approved RESNET certified Trainers will be maintained on the DNR website. It is estimated that it will require a minimum of 20 Raters per 1,000 program participants.

The primary method of dissemination of information about the program will be through initial marketing efforts of DNR, Contractor, industry partners (primarily utility companies) and Home Energy Raters. Contractor *must* ensure statewide participation and have provisions in place for ARRA funds to be available for participants by limiting participation to a prescribed number of applicants for the funding.

Rebates will be paid on a first come, first served basis until funding is depleted. Participants will be required to have an initial preliminary rating performed before making any improvements. This requirement will be enforced by rating and improvement receipt dates.

Upon receipt of preliminary rating from the Home Energy Rater, funding will be earmarked for six months. To guarantee receipt of an incentive, the retrofit must be completed and have a final Home Energy Rating inspection before the end of the six month period. Incentives for homes not completed within the six month window will have no guarantee of an incentive and will only receive an incentive if funding is available at that time.

PROGRAM DELIVERY DETAILS

- To gain information, applicant contacts Home Energy Rater, visits website or contacts Contractor program hotline.
- Applicant learns program details, wishes to participate and contacts Home Energy Rater.
- Home Energy Rater verifies availability of funds (via secure internet site). As part of this process, \$3,000 is immediately earmarked for 14 days.
- Home Energy Rater performs the preliminary rating from Home Energy Rating and makes recommendations.
- Applicant and Home Energy Rater agree on energy efficiency retrofits.
- Home Energy Rater confirms level of retrofits with Contractor and the 14-day \$3,000 earmark is changed to a 6-month earmark for the estimated incentive level (expected to average \$2,000).

- Applicant completes retrofits within 6 months and contacts original Home Energy Rater.
- Home Energy Rater conducts final rating and submits required documentation to Contractor within the 6-month period.
- Rebate check is issued to applicant by contractor.
- Should completion extend beyond 6-month window, incentive will be paid only if funding is available.

III. EXPECTED PROGRAM OUTCOMES

The minimum program outcomes expected from this program are as follows. These outcomes are based on a total program expenditure of \$5,056,817.

Number of energy efficient homes retrofitted: 2,528

Contractor Responsibilities shall be to:

- Coordinate with current contractor on computer programs/software used for accepting and reviewing preliminaries and finals for rebates.
- Provide clerical and bookkeeping, processing of W-9's, reviewing building files, and reporting on additional accounting/payments for an estimated 2,500 rebates under expanded program.
- Close coordination with DNR and current contractor on expansion of program development, reporting, development of relational database compatible with DNR systems, utilization of software, payments, etc. on both HERO programs for residential (new and retrofit).
- Report all required information including metrics identified within the ARRA State Energy Plan to DNR (monthly), DOE (quarterly) and LRA as required. See Attachment A; Residential/Commercial Energy Efficiency.

PROGRAM 2-C – BUILDINGS - COMMERCIAL

Program 2-C Funding: \$5,056,817

Commercial Building Retrofit Program

I. GENERAL PROGRAM DETAILS

Program is designed to encourage business owners to retrofit their commercial buildings.

Participation is limited to one time per participant. Rebate is 25% of the cost of improvements or 25% of the value of energy savings, whichever is less, up to a maximum of \$5,000. Rebate can go to building owner, occupant, or non-profit or for-profit entity that fund improvements. It is estimated that the average rebate will be in the range of \$4,000.

Energy savings are estimated by computer simulation conducted by program auditor. Auditors are recruited from among existing corps of RESNET certified Home Energy Raters and Louisiana licensed professional engineers. Both of these individual groups will be required to complete a 12-hour training program in order to be listed as an approved program auditor.

The 12-hour training will consist of program rules, introduction to the chosen computer software, and DNR's required methodology for estimating energy savings. To successfully complete the training will require attendance at the course and passing an examination.

DNR will develop the 12-hour training and the required test. The actual delivery of the training will be left to the private sector and/or program delivery partners.

Trainers will be approved by DNR. They must be either affiliated with a Louisiana education institution or be a trainer approved by a national energy efficiency/building science organization. A list of DNR approved trainers will be maintained on the DNR website.

A list of approved program auditors will be maintained on the program DNR website. Contractor *must* ensure statewide participation and have provisions in place for ARRA funds to be available for participants by limiting participation to a prescribed number of applicants for the funding.

Participants will be allowed to include the cost of the audit in the cost of improvement up to \$750 maximum.

The primary method of dissemination of information about the program will be through private sector contractors using the program to solicit business, word of mouth, business development activities by approved auditors, promotions by industry partners and an initial marketing campaign by DNR.

II. PROGRAM DELIVERY DETAILS

- Applicant hears about the program.
- To gain information, applicant contacts approved auditor, visits website, and business resources such as the local chambers of commerce, or contacts contractor program hotline.
- Applicant learns program details, wishes to participate and contacts auditor.
- Auditor verifies availability of funds (via secure internet site). As part of this process, \$5,000 is immediately earmarked for 14 days.
- Auditor audits building and makes recommendations.
- Applicant decides what improvements will be made and notifies auditor.

- Auditor estimates amount of potential rebate based on estimated energy savings and prior knowledge of improvement costs and confirms participation with Contractor within the 14-day period stated above.
- Auditor estimates potential rebate and the 14-day \$5,000 earmark is changed to a 120-day earmark for the estimated rebate amount.
- Applicant completes work within 90 days and contacts original auditor.
- Auditor verifies completion of work and submits required documentation to Contractor within 120-days.
- Rebate check is issued to applicant by Contractor.

III. EXPECTED PROGRAM OUTCOMES

The expected minimum program outcomes expected from this program are as follows. These outcomes are based on a total program expenditure of \$5,056,817.

Estimated number of commercial buildings retrofitted: 1,264

Contractor Responsibilities shall be to:

- Develop program guidelines and procedures in consultation with DNR
- Develop database system for mining computer files (software undecided at this point)
- Issue rebates (this includes processing W-9s, review of audit of files)
- Develop statistical technique to perform quality control of auditors
- Develop method of estimating energy savings from computer files
- Report all required information including metrics identified within the ARRA State Energy Plan to DNR (monthly), DOE (quarterly) and LRA as required. See Attachment A; Residential/Commercial Energy Efficiency.

Funding is designated for Programs 2A, 2B and 2C at \$15,170,450 and is listed as such in the DOE State Energy Program. *For purposes of distribution among the three programs listed above, funding is divided evenly among the three areas. Contractor shall make a recommendation of the appropriateness of reallocating funds to programs that are performing more expediently to DNR by December 31, 2010.*

**PROGRAM 3—TRANSPORTATION EFFICIENCY
& ALTERNATIVE FUELS**
Program 3 Funding: \$9,893,772

Transportation Efficiency & Alternative Fuels

I. GENERAL PROGRAM DETAILS

This program is a competitive program designed to encourage leveraging with Energy Efficiency Conservation Block Grant (EECBG) and other funding sources. This is a stated aim of the ARRA funding guidelines.

The contractor will develop a competitive funding solicitation to implement the program. Included in the solicitation will be the criteria for which individual proposals will be evaluated. Such criteria will include, but not necessarily be limited to, the following factors:

- The extent of leveraging proposed,
- The estimated energy savings of the proposed project,
- The feasibility of the proposed project,
- The likelihood of completion in the required timeframe,
- The appropriateness of the proposal to overall program goals,
- The past performance of the proposers.

The contractor will also be responsible for the initial evaluation and ranking of the proposals based on the solicitation criteria and providing such information to DNR for review prior to awards being made.

Alternative Fuels

The program will assist local communities in paying the incremental costs of purchasing or converting traditional mass transit buses, school buses and fleet vehicles to dedicated compressed natural gas (CNG) vehicles of the same type. Additionally it will assist communities with providing publicly-accessible quick fuel CNG fueling stations.

The program will pay up to 50 percent of the incremental costs for dedicated CNG mass transit or school buses up to \$50,000 each and dedicated CNG fleet vehicles up to \$25,000 each.

Additionally the program will provide necessary equipment for four to six (4-6) publicly accessible quick fuel CNG fueling stations. The funding will be limited to 50% of the cost of the equipment or \$1.25 million, whichever is less.

Important Note: Construction projects are not allowed under ARRA funding. Thus, the funding under this program is specifically for purchase of equipment.

Transportation Lighting Efficiency

This program is designed to encourage the deployment of Light Emitting Diode (LED) traffic lights and energy efficient and photovoltaic street lighting in medium to small municipalities who historically have not had the funding to conduct such projects on their own.

The program will fund 50% in grants of up to \$100,000 to city and parish governmental entities to perform either of the activities. Participating entities can use funding available under the EECBG as all or part of their 50% requirement for projects.

II. PROGRAM DELIVERY DETAILS

- Contractor prepares solicitation with evaluation criteria for DNR approval.
- Once approved by DNR, Contractor markets solicitation to target audience and issues solicitation.
- Contractor receives and ranks proposals based on established criteria and makes recommendations to DNR.
- Contractor prepares notification to recipients of awards and to those entities not receiving awards.
- Contractor make awards upon DNR authorization and finalize agreements

III. EXPECTED PROGRAM OUTCOMES

The expected minimum program outcomes expected from this program are as follows:

Total number of grants to local governmental units expected:	34
Number of dedicated CNG vehicles purchased:	30
Number of vehicles converted to CNG:	30
Number of publicly-accessible quick-fuel CNG stations:	4
Number of energy efficient transportation lighting fixtures installed:	2,000

Contractor Responsibilities shall be to:

- Prepare solicitation(s)
- Market program with target municipalities
- Receive grant proposals
- Review and rank grant proposals per DNR criteria for DNR review
- Determine the appropriateness of the proposal to overall program goals
- Make Awards upon DNR authorization and finalize agreements
- Provide oversight on project conversions, equipment purchases, and installations
- Provide project monitoring and issue payments
- Report all required information including metrics identified within the ARRA State Energy Plan to DNR (monthly), DOE (quarterly) and LRA as required. See Attachment A; Alternative Transportation.

PROGRAM 4 – RENEWABLES:
Program 4 Funding: \$9,893,772

Renewable Energy

I. GENERAL PROGRAM DETAILS

This program is designed to encourage the deployment of commercially available, but as yet underutilized renewable energy resources. Some examples of these resources include but are not limited to hydrokinetic energy, wind, landfill gas, biomass (direct fired combustion and co-combustion and liquid and gaseous conversions), solar electric, solar thermal and geothermal energy. In order to accomplish this goal, the program will offer one-time grants. No matching funds will be required; however, the extent of leveraging proposed will be a major selection criterion.

An open solicitation will be issued listing the total funding available and maximum number of projects that will be funded. Included in the solicitation will be a minimum project size of \$250,000. DNR will have the option of funding one or more projects for any amount between \$250,000 and the \$9,893,772 dedicated to the program.

The Contractor will develop a funding solicitation to implement the program. Included in the solicitation will be the criteria by which individual proposals will be evaluated. Such criteria will include, but not necessarily be limited to, the following factors:

- The extent of leveraging proposed,
- The project cost,
- The estimated energy generation of the proposed project,
- The commercial availability of the technology, for both the equipment to be used and the technology being demonstrated.
- The feasibility of the proposed project,
- The potential for job creation,
- The potential for future deployment in Louisiana,
- The likelihood of completion in the required timeframe,
- The past performance of the proposers.
- Research activities are not an allowable project and will not be funded.

The program will be designed to protect the interest of the state. One possible method of accomplishing this is to make the grant dependent on actual production. Under this method, grantees will be awarded funding in stages dependent on achieving predicted production levels. This method is not a production credit, but rather a grant that is dependent on the actual working deployment of the commercially available technology. Grant recipients would not be given awards until such time that the facility was actually working and achieving predicted levels of energy production.

The contractor will also be responsible for the initial evaluation and ranking of the proposals based on the solicitation criteria and providing such information to DNR for authorization of awards. *All selected projects will be sent to DOE by DNR for final project approval.*

II. PROGRAM DELIVERY DETAILS

- Contractor prepares solicitation for DNR approval.
- Once approved by DNR, Contractor markets solicitation to target audience and issues solicitation.
- Contractor receives and ranks proposals based on established criteria, make recommendations to DNR.
- DNR submits winning proposals for DOE approval.
- Contractor prepares notification to recipients of awards and to those entities not receiving awards.
- Contractor makes awards upon DNR authorization and finalizes agreements.

III. EXPECTED PROGRAM OUTCOMES

The expected minimum program outcomes expected from this program are as follows.

Total energy produced: 793,263 Million Btu

Number of Projects: 1-20

Contractor Responsibilities shall be to:

- Prepare solicitation
- Market program with applicable entities
- Receive grant proposals
- Review and rank grant proposals per DNR criteria for DNR review
- Make Awards upon DNR authorization and finalize agreements
- Provide oversight on project(s), equipment purchases, and installations.
- Project monitoring and issue payments
- Report all required information including metrics identified within the ARRA State Energy Plan to DNR (monthly), DOE (quarterly) and LRA as required. See Attachment A; Renewables

PROGRAM 5 – ENERGY STAR APPLIANCE REBATE PROGRAM

Program 5 Funding: \$2,638,339

Energy Star Appliance Rebates

I. GENERAL PROGRAM DETAILS

This program is designed to encourage the purchase of Energy Star appliances. The program will be jointly funded by ARRA SEP funding and ARRA Energy Star Rebate Funding. There is also potential for funding from ARRA WAP funds administered by the Louisiana Housing Finance Agency and other entities interested in participating in the program.

The involvement of Louisiana utilities (investor-owned, cooperatives and municipally-owned) is a major desired outcome of the program. It is desired that utility participation include both administration of the program and funding. Utility partners will be recruited through an open solicitation process. It should be anticipated that full statewide coverage will not occur because of non-participation of utilities and therefore, the contractor needs to develop an option to administer the rebate program statewide or for any portion of the state lacking a participating utility.

The program must be specifically designed such that it will not be exclusive to a few major retailers at the expense of small local appliance and equipment stores.

Under the program, participating utility partners will offer coupons for purchase of Energy Star appliances to their customer base. The coupons can be accepted by any area retail outlet and will be redeemable for cash from the Utility Partner on a once monthly basis.

The coupons can be time sensitive and product sensitive. This method of deployment allows for maximum flexibility in controlling subscription rates, influencing customer behavior and recruiting potential manufacturer partners. For example, a particular air conditioning manufacturer may be willing to participate financially in a program that encourages purchases of high efficiency systems during the off season when dealers need business.

The Contractor will develop a funding solicitation to implement the program. Included in the solicitation will be the criteria by which proposing Utilities will be evaluated. Such criteria will include, but not necessarily be limited to, the following factors:

- The potential for leveraging,
- Signed commitments from industry partners,
- The feasibility of the proposed delivery mechanism,
- The likelihood of completion in the required timeframe,
- The past performance of the proposers.

The Contractor will also be responsible for the initial evaluation and ranking of the proposals based on the solicitation criteria and providing such information to DNR for approval.

II. PROGRAM DELIVERY DETAILS

- Contractor prepares solicitation for DNR approval.
- Once approved by DNR, Contractor markets solicitation to potential Louisiana utility partners. Secures mechanism for non-covered areas statewide.
- Contractor receives and ranks proposals based on established criteria and makes recommendations to DNR.
- Contractor develops program rules and contracts with selected utilities/rebate companies.
- Contractor monitors programs and makes payments to utilities and/or issues rebates.

III. EXPECTED PROGRAM OUTCOMES

The expected minimum program outcomes expected from this program are as follows:

Number of utility partners recruited:	5
Number of appliance rebates funded: (Based on average rebate cost of \$83)	31,787
Annual energy savings:	76,502 Million Btu*

*based on anticipated \$7 million of leveraged funding

Contractor Responsibilities shall be to:

- Prepare solicitation
- Receive grant proposals
- Review and rank grant proposals per DNR criteria for DNR review
- Make Awards upon DNR authorization and finalize agreements
- Monitor projects and issue payments
- Report all required information including metrics identified within the ARRA State Energy Plan to DNR (monthly), DOE (quarterly) and LRA as required. See Attachment A; Energy Star Rebate Program

NOTE: PROGRAMS 1-5 ARE FUNDED FROM THE STATE ENERGY PROGRAM GRANT NO. EE00124. PROGRAM 6 IS FUNDED FROM THE ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT FUNDING (EECGB); GRANT NUMBER IS PENDING.

ALL EXPENDITURES, LEVERAGING, TIMESHEETS, REPORTING, ETC. SHALL REFLECT THE APPROPRIATE GRANT NUMBER, SHOULD SEGREGATE FINANCIAL AND ACCOUNTING SYSTEMS, AND TRACK AND MAINTAIN FUNDS APART FROM

OTHER REVENUE STREAMS.

**PROGRAM 6 - ENERGY EFFICIENCY AND CONSERVATION
BLOCK GRANT**

Program 6 Funding: \$13,114,000

The ARRA funding is the mechanism to award grants to local governments and states to reduce energy use and fossil fuel emissions, and for improvements in energy efficiency as stipulated in the Energy Independence and Security Act (EISA, Pub. L. No. 110-140) signed into law on December 19, 2007.

The program calls for federal grants directly to local governments and state governments under the Energy Efficiency and Conservation Energy Block Grant (EECBG). The U.S. Department of Energy will provide direct funding to the top ten most populated Louisiana cities and top ten parishes.

DNR will receive a direct allocation from DOE of \$13,805,700 for the EECBG program and is responsible for distribution to those parishes, cities, and communities not receiving direct funding from DOE and that are eligible units of government in the state. The "State EECBG" component requires the states to "develop a sub-granting process that expeditiously allocates funding, prevents fraudulent spending, generates robust reporting, and promotes the EECBG Program principles." Those principles are included in the Financial Opportunity Announcement, DE-FOA-0000013, Page 5-6.

<http://dnr.louisiana.gov/stimulus>

To insure the equitable distribution to all areas of the state, DNR developed a formula to allocate 95% to the qualifying parish governments in the State on a per capita basis.

It is imperative that proposers read and comply with the requirements of the ARRA Energy Efficiency and Conservation Block Grant Funding and ensure projects are implemented in the manner for which they are intended. Consideration should focus on projects that can be completed within the allotted time frame (3 years), that appropriately use taxpayer dollars, and that maximize job creation and economic benefit. The guidance for the Energy Efficiency Conservation Block Grant provided by the U.S. Department of Energy can be examined as well as the State EECBG funding allocation to the parishes can be found:

<http://dnr.louisiana.gov/stimulus>

The State EECBG requires that obligation to eligible entities should be within 180 days after the Secretary of the U.S. DOE has approved the state's strategy. This could feasibly require awards to be made to parish governments by January 2010. Therefore, it should be noted that recommendation of reallocating funds to other parishes if funding is not utilized by every parish must be provided to DNR immediately after receipt of projects. In addition, close monitoring of programs that are not performing and/or unable to complete projects must be addressed and

recommendations submitted to DNR by May 31, 2010, for cancellation and reallocation to other parishes.

Proposed contractor should consider streamlined approach in assisting parishes and their communities that are lacking manpower, are unfamiliar with new energy efficient technologies, and require assistance in the application for funding including technical support and assistance with application to other sources of funds that be can leveraged, and the development and implementation of energy efficient measures.

Program Options

DNR has identified the following suggested, but not mandatory program areas that are best suited to accomplish goals, maximize energy savings, and provide the most benefit to the citizens of the participating governmental units.

A. Energy Efficiency Building Code Enforcement

Many of the local code enforcement jurisdictions have neither the trained staff nor equipment required to accurately measure either whole-house air infiltration or duct leakage. It is not possible for local code officials to communicate and demonstrate to builders operating under their jurisdictions how to meet the requirements of the new code when the code officials lack the prerequisite level of knowledge and required equipment.

Under this component, parish and local government can acquire the equipment and training necessary to perform these tasks. This task is most economically accomplished on a multi-jurisdiction or regional level.

b. Energy Efficient Lighting

Inefficient lighting for public buildings and energy costs associated with traffic and street lighting is an economic burden to parish and local governments. Under the program parish and local jurisdictions can install high efficiency and long-lasting LED traffic signals and energy efficient and photovoltaic street lighting. In areas of the state subject to frequent weather-related disruptions in the electrical grid, these activities will also have a public safety component. In addition, lighting retrofits may be made for public buildings.

Funding for transportation lighting can be leveraged with the DNR ARRA SEP program.

c. Renewable Energy

There are many local jurisdictions throughout Louisiana with municipally-owned utility systems. This program encourages deployment of commercially available renewable energy resources to be utilized in local jurisdictions. Municipally owned utility systems can individually, or as a group, leverage funding under the DNR administered formula-based funding and with funding from participating private sector renewable energy companies.

d. Other Eligible Projects:

The EECBG Program is intended to be a crosscutting program and projects that increase energy efficiency and reduce costs through efficiency improvements in the building, transportation and other appropriate sectors are the desired outcomes. Therefore, projects that leverage other resources through coordination at the local, federal and state level to achieve maximum impact in regard to energy savings, environmental and health, and improved air quality are encouraged.

Contractor Responsibilities shall be to:

- Initiate and execute grant documents to a maximum of sixty-four parishes for Energy Efficiency and Conservation Block Grant Funding that fall within guidelines and have met criterion for use of funds.
- Receive funding requests, evaluate, and make awards upon DNR authorization to a maximum of sixty-four parishes.
- Provide technical assistance on projects as needed; provide assistance for other funds that may be leveraged to enhance projects.
- Provide on-site oversight of projects implemented, track funding, verify work, obtain required metrics per project and report to DNR.
- Prepare and submit monthly and annual reports to DNR to be submitted to DOE.

**OVERALL SEP/EECBG DESIGN, DEVELOPMENT,
IMPLEMENTATION, PROGRAM MANAGEMENT, MONITORING,
REPORTING AND ADMINISTRATIVE SUPPORT**

Contractor will provide strategy and all associated costs to implement Programs 1-6 to include all personnel, technical assistance, project management, staffing, and other budget items required to accomplish the contractor responsibilities and outcomes delineated in Programs 1-6 as well as including all administrative, oversight, and reporting on metrics as required in the Guidance documents from the U.S. Department of Energy as well as additional state reporting as required. Reporting must be done within 10 days at the end of each quarter. Therefore, monthly billing, reporting, and fiscal functions must be completed for DNR TAD within five (5) days.

The Contractor shall provide two full time employees (FTEs) with a minimum of five years of experience in governmental accounting, preferably with the Integrated Statewide Information System (ISIS) for the state of Louisiana. Contracts and Grants experience would be helpful. These FTEs will work directly under the supervision of the department's fiscal officer.

The Contractor shall provide three FTEs for administrative support with a minimum of five years of experience in which clerical work was a major duty. One FTE shall report directly to the DNR Deputy Secretary and two FTEs shall support the Stimulus Manager.

Contractor Responsibilities shall be to:

- Program responsibilities and outcomes as delineated for programs 1-6.
- Develop program of systematic oversight and quality control of all subcontractors and grantees.
- Provide monthly activity reports.
- Set up and maintain all financial records, keeping accurate accounting revenues and expenditures related to the program.
- Maintain necessary data in systems being set up by the Division of Administration and Louisiana Recover Authority.
- Assist fiscal services in all aspects of the ARRA.
- Be proficient in excel spreadsheet software; five years in governmental accounting and contracting experience preferably at the state level.
- Provide administrative support as required by DNR, three FTE with a minimum of five years of experience in which clerical work was a major duty.
- Report all required information including metrics identified within the ARRA State Energy Plan to DNR (monthly), DOE (quarterly) and LRA as required.
- Provide accounting and contract support for all aspects of the ARRA. Two FTE with a minimum of five years of experience in governmental accounting experience. This will include financial reporting, closeout reporting and other record keeping and reporting as required, process W-9's, indirect costs proposals, and other payments and reporting in compliance with state and federal rules and regulations.
- Develop selection process under the competitive components of SEP and EECBG including criteria for proposals, evaluation criteria and methodology, and ranking of proposals for submittal to DNR for review and approval.
- Issue grant awards.